

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
APRIL 20, 2009**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, April 20, 2009.

The meeting was called to order by Chairman Alex Emmons.

TEMPORARY APPOINTMENT (A-7)

Due to the absence of Secretary Rick Stradtner, Alex Emmons stated that an Acting Secretary needs to be appointed. Mike Harder made a motion to appoint Wayne Schuetter as Acting Secretary for this meeting. Ken Sendelweck seconded the motion. Motion approved, 6-0.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Alex Emmons – Chairman
Wayne Schuetter – Vice Chairman
Doug Schulte – Water Commissioner
Mike Harder – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Rick Stradtner - Secretary

PLEDGE OF ALLEGIANCE (*)

Chairman Alex Emmons led the Pledge of Allegiance.

QUOTE OPENING: EMISSIONS TESTING – ELEC. GENERATION (*)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1. Air Analysis \$4,000.00
Plainfield, IN

The quote included a non-collusion affidavit.

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| 2. | GSA, Inc.
Crownpoint, IN | \$3,495.00 |
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The quote included a non-collusion affidavit.

Greg Krodel made a motion to accept the quote from GSA, Inc. for \$3,495 to do the emissions testing for the Power Plant, subject to the City Attorney reviewing the contracts. Mike Harder seconded the motion. Motion approved, 6-0.

QUOTE OPENING: DIGGER DERRICK TRUCK – ELEC. DISTRIBUTION (A2-5)

Jerry Schitter stated that last month, all the quotes for the digger derrick truck were rejected due to writing the specifications incorrectly. The specifications were corrected and quotes were requested again this month. However, it was not advertised in the newspaper that quotes were being requested again, simply due to an oversight. Schitter said he received quotes from the same three vendors as the previous quote opening. He requested that the Board waive the advertising policy for this instance only and allow the quotes to be opened.

Sandy Hemmerlein stated that for capital purchasing the Utilities are not required by State law to advertise for the request for quotes. She said it is simply the policy of the Utility Service Board to advertise.

Ken Sendelweck made a motion to waive the advertising policy for this quote opening only. Greg Krodel seconded the motion. Motion approved, 6-0.

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Terex Utilities
White House, TN | \$221,027.00
<u>- 1,500.00</u> trade-in
\$219,527.00 |
|----|------------------------------------|--|

The quote included a non-collusion affidavit.

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| 2. | Altec Industries, Inc.
Indianapolis, IN | \$221,197.00
<u>- 1,500.00</u> trade-in
\$219,697.00 |
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The quote included a non-collusion affidavit.

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| 3. | Sternberg International
Jasper, IN | \$222,354.00
<u>- 3,500.00</u> trade-in
\$218,854.00 |
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The quote included a non-collusion affidavit.

Mike Harder made a motion to take the quotes under advisement. Doug Schulte seconded the motion. Motion approved, 6-0.

QUOTE OPENING: FLOW MONITORING EQUIPMENT – WASTEWATER (A2-152)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Teledyne ISCO, Inc.
Lincoln, NE | \$10,960.00 |
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The quote included a non-collusion affidavit.

Another sealed quote came from Teledyne ISCO, but was addressed to Ed Hollinden, instead of the Utility Service Board and was not completed on the approved quote forms. This quote was for \$10,051.00, but did not include some options that were required by Ed Hollinden. It was decided to use the first sealed quote that was addressed to the Utility Service Board.

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| 2. | Gripp, Inc.
Westfield, IN | \$ 9,871.00 |
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The quote included a non-collusion affidavit.

Ed Hollinden asked for permission to go ahead and order the equipment after reviewing the specifications. Doug Schulte made a motion to accept the low quote from Gripp, Inc. for \$9,871, subject to reviewing the specifications. Motion approved, 6-0.

BID OPENING: SURPLUS EQUIPMENT – WASTEWATER (A2-249)

Ed Hollinden reminded the Board that at last month's meeting a sludge storage trailer and a floater were deemed surplus equipment and are being sold.

Sandy Hemmerlein opened the bids and read them aloud as follows:

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| 1. | Meyer Farms
Jasper, IN | Item #1 (floater)
Item #2 (trailer) | \$ 7,200.00
\$ 1,700.00 |
| 2. | Sam Mehringer
Jasper, IN | Item #1 (floater)
Item #2 (trailer) | \$15,551.00
\$ 2,600.00 |
| 3. | Massey Farms
Dubois, IN | Item #1 (floater) | \$30,152.00 |
| 4. | Jerry O'Brien
Owensboro, KY | Item #1 (floater) | \$14,400.00 |
| 5. | Mike Jochum
Ferdinand, IN | Item #2 (trailer) | \$ 3,555.00 |
| 6. | Eugene Burke
St. Anthony, IN | Item #2 (trailer) | \$ 1,210.00 |

Wayne Schuetter made a motion to award the floater to Massey Farms for the price of \$30,152. Mike Harder seconded the motion. Motion approved, 6-0.

Doug Schulte made a motion to award the sludge storage trailer to Mike Jochum for the price of \$3,555. Ken Sendelweck seconded the motion. Motion approved, 6-0.

QUOTE OPENING: MOBILE COLLECTOR LAPTOP – BUSINESS OFFICE (A2-364)

Ashley Kiefer stated only one quote was requested because only one vendor can supply the laptop needed to work with the mobile collector in the meter reading van.

Sandy Hemmerlein opened the quote and read it aloud as follows:

1. HD Supply Utilities \$13,285.00
Mattoon, IL

Bud Hauersperger explained that the current laptop on the mobile collector will no longer be supported and had to be upgraded to receive support.

Mike Harder made a motion to accept the quote from HD Supply Utilities for \$13,285. Wayne Schuetter seconded the motion. Motion approved, 6-0.

APPROVAL OF MINUTES (A2-414)

Chairman Alex Emmons presented the minutes of the March 16, 2009, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Wayne Schuetter made a motion to approve the minutes of the March meeting as presented. Greg Krodel seconded the motion. Motion approved, 6-0.

REQUEST TRANSFORMERS BE DECLARED SURPLUS & SOLD (A2-424)

Jerry Schitter stated that three substation transformers have been out of service for the last 10 years. Other transformers that were taken out of service were sold, but these three transformers had PCB's in them and we did not want to pay to dispose of them at that time.

Since that time, the contaminated oil was un-tanked out of them and was disposed of with a reputable company. Then they were retro-filled with clean oil and sat for a couple of years to simulate the running of the transformer. They were then re-tested and are now considered clean transformers and can be sold.

Schitter said that he needs the transformers deemed surplus so that they can be put up for sale. The transformers cannot be moved with the oil in them, so Schitter would like to also sell the oil after it is un-tanked. He has a couple of vendors who would be interested in bidding on the oil.

Ken Sendelweck made a motion to deem the three transformers as surplus property and to allow Jerry Schitter to proceed with disposition. Greg Krodel seconded the motion. Motion approved, 6-0.

POWER PLANT STATUS (A2-488)

Windell Toby stated the Power Plant is still down and not running. The Power Plant will have to be started up to complete the emissions testing. Toby expects the Plant to be started up the 8th or 9th of June.

ELECTRIC PLANNING COMMITTEE REPORT (A2-492)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

UPDATE ON CHURCH AVE. WATER MAIN REPLACEMENT (A2-494)

Mike Oeding informed the Board that Messmer Mechanical has all of the pipe in. It is sanitized and turned on. The Water Department is now in the process of switching the homeowners over to the new main. About half of the homes between Giesler and Brames Road have been switched over. After that Messmer Mechanical will come back and dig the rock out and replace it with pavement. Then the old main will be cut off.

UPDATE ON PLYMOUTH & DODGE STREETS WATER MAIN REPLACEMENT (A2-503)

Oeding stated that this project is complete. Everything is cut off and all that remains is the removal of a couple of fire hydrants. All of the homes are switched over to the new main.

HYDRANT FLUSHING STARTED (A2-508)

Oeding said the semi-annual hydrant flushing started today and should last approximately four weeks. Each hydrant will be inspected and flushed.

GAS PLANNING COMMITTEE REPORT (A2-513)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (A2-514)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

DRYING BEDS UPDATE (A2-515)

Ed Hollinden stated that Streicher Construction has started on the drying beds and are approximately half done.

WASTEWATER PLANNING COMMITTEE REPORT (A2-518)

Mike Harder, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

RESIGNATION OF PART-TIME CUSTOMER SERVICE CLERK (A2-519)

Bud Hauersperger informed the Board that one of the part-time Customer Service Clerks resigned last week. Ashley Kiefer reviewed the situation, and in lieu of hiring another part-time clerk, decided to increase the hours of Lisa Gehlhausen to 32 per week, to cover for the missing clerk.

Hauersperger said this will be done for a trial period of a few months. After a few months, Hauersperger will report back to the Board and let them know if it is working or if another part-time clerk will have to be hired.

Alex Emmons commended Bud and Ashley for the review and agrees with the decision. Hauersperger stated it will be easier on the Business Office to be able to utilize someone who is already trained and wants to work the extra hours.

ENERGY SYSTEMS GROUP UPDATE (A2-543)

Hauersperger reminded the Board that he spoke about Energy Systems Group, which is a subsidiary of Vectren, at the last meeting. They are reviewing the Power Plant. A couple of meetings have been held with them to discuss sample contracts on what could be done at the Power Plant. They are also looking at the Power Plant from an engineering standpoint and have requested to look at possible biomass sources.

Hauersperger said City Attorney, Sandy Hemmerlein, has been working with them on the financial and contractual end. Energy Systems Group is requesting a Letter of Authorization be signed by the Mayor to approve the release of information to them to get their analysis done. A recommendation will need to be made to the Common Council to recommend that the Mayor sign the Letter of Authorization.

Hemmerlein said they talk in particular about performance contracting, which is a specific kind of way a project could be done at the Power Plant under the Indiana Code section. The Indiana Code would set up how the financing is done. All of the costs would be put together under one contract.

Hemmerlein stated that Energy Systems Group would be finding ways to save money through the performance contracting. She said she didn't want to commit to going further with performance contracting until we have information that will show the potential savings.

Hemmerlein said if Energy Systems Group is allowed to continue with their analysis, a joint meeting would be held between the Common Council and the Utility Service Board to hear the results of their analysis. She said there is no risk or cost to the City or Utilities to allow them to do their analysis. The feasibility study would be completed in approximately 90 days.

Wayne Schuetter made a motion to recommend to the Common Council that the Mayor sign the Letter of Authorization with Energy Systems Group to do the feasibility study. Ken Sendelweck seconded the motion. Motion approved, 6-0.

INDIANA DEPARTMENT OF REVENUE SALES TAX ISSUES (A2-672)

Bud Hauersperger stated that an auditor from the Indiana Department of Revenue has been performing an audit on sales tax. Certain customers have had a sales tax exemption status with the Utilities. In 2007, the Utilities had to go through a process to verify their documentation in order to have the sales tax exemption status. If the customer did not forward their documentation, sales tax was charged going forward.

The auditor now says that the customers, who did not forward their documentation, now have to pay the sales tax all the way back to the beginning of 2006. This would affect approximately 14 customers.

Hauersperger said the Utilities will be billed from the Indiana Department of Revenue for the sales tax on these customers. The Utilities will then send letters to the customers for the amount owed.

The final report will be received from the auditor in three weeks with the total amount owed. Right now the amount owed is around \$78,000.

UGM ANNUAL MEETING (A2-702)

Hauersperger said he attended the Utility Gas Management annual meeting last week. UGM said they are projecting gas prices to drop slightly this year. The economy is driving gas prices right now. If the economy is slow, the gas prices should be down. They also expect less severe hurricanes this year and a warmer winter.

Hauersperger explained that they still plan to hedge gas for the winter months. The goal is to have 50% of the winter gas hedged. Right now the winter hedge price of gas is less than half of what it was last year.

Hauersperger stated that the MuniGas deal was also mentioned. Right now the spread between taxable bonds and non-taxable municipal bonds is not that great. There are no good deals available right now. The available discount right now is only \$.20 to \$.30. Before, a full load held a discount of \$.60. Hauersperger said they are waiting to see if this deal comes around.

INDIANA MUNICIPAL ELECTRIC ASSOCIATION CONFERENCE IN MAY (A2-728)

Hauersperger mentioned that the Indiana Municipal Electric Association will be holding their Spring Conference on May 12, 13, and 14th in Jasper. A banquet will be held on the 13th and all Board members are invited to attend. Reservations should be made with Ashley Kiefer.

BUSINESS OFFICE SOFTWARE UPDATE (A2-732)

Hauersperger informed the Board that notices were sent to six different vendors to come give a demonstration of their software. The demonstrations will start next week with Bud, Ashley Kiefer, Linda McGovren, and someone from the Billing Department. The vendors will be narrowed down after all of the presentations.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A2-739)

Wayne Schuetter reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Greg Krodel made a motion to approve the claims as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

There being no further business to come before the Board, the meeting was adjourned at 8:03 PM upon motion by Doug Schulte and second by Wayne Schuetter. Motion approved, 6-0.

The minutes were hereby approved _____ with _____ without corrections this _____ day of _____, 2009.

Attest: _____
Secretary Chairman

* Audio tape malfunctioned. Refer to the video tape if questions arise. Another audio tape was started on the Digger Derrick Truck Quote Opening.